MATERIAL REVIEWED AT CIA HEADQUARTERS BY
HOUSE SELECT COMMITTEE ON ASSASSINATIONS STAFF MEMBERS

SECRET

CRABANAC, Terence S.

FILE TITLE/NUMBER/VOLUME: HUNT, E. HOWARD (CONTRACT

INCLUSIVE DATES: 6 January 1965 — 3 Dec 1970

CUSTODIAL UNIT/LOCATION: O/P

ROOM: 5E13

DELETIONS, IF ANY:

| DATE RECEIVED | DATE RETURNED | REVIEWED BY (PRINT NAME) | SIGNATURE OF REVIEWING OFFICIAL |
|---|---|---|---|
| 2/28/78 | 2/28/78 | DAN HARDWAY | Dan Hardway |
| 3/15/78 | 3/15/78 | DAN HARDWAY | Dan Hardway |
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## Contract Service — Terence S Crahange (P)

| Date | Action | Comp. | GS Equivalent |
|---|---|---|---|
| 4 July 65 | Former Staff Employee<br>Hired as a Contract Employee with Civil Service Retirement, LPIs and PSIs. | $<br>19,550 | GS-15/7 |
| 10 Oct 65 | LPI | 20,595 | GS-15/7 |
| 3 July 66 | LPI | 21,192 | GS-15/7 |
| 17 Sept 66 | Contract Terminated | 21,192 | GS-15/7 |

Converted to Staff Employee Status

4-00000

SECRET

8 Dec 1970

MEMORANDUM FOR: Office of Finance

THROUGH : Chief, Contract Personnel Division

SUBJECT : Engagement of E. Howard Hunt as Independent Contractor Under Memorandum of Oral Contract

1. Effective 2 November 1970, subject was retained under oral contract to write a citation concerning an employee of CIA for a fee of $250.00. The completed citation was delivered to and accepted by CIA on 23 November 1970.

2. Subject is a former CIA Staff Employee who retired effective 30 April 1970.

3. Subject is to be paid his fee of $250.00 under Fin Account Number 1176-0041. At Mr. Hunt's request, payment is to be made in the form of two sterile checks, one in the amount of $200.00 payable to the Public Service Aid Society, and the second in the amount of $50.00 payable to the Educational Aid Fund. Please forward both checks to Mr. Ben DeFelice, 5E-67 Headquarters.

4. No other commitments have been made to subject.

[signature]

Approving Officer
Office of Personnel

APPROVED:

/s/ [illegible]

Chief, Contract Personnel Division

8 Dec 1970

Date

The

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

1 June 1967

MEMORANDUM FOR THE RECORD

SUBJECT: [redacted] Terence S. CRABANAC

[redacted] on instructions of the Deputy Director for Plans, and with approvals from the DCI and the DDCI, was converted to contract employment and assigned to Spain for a special undertaking in behalf of the DD/P. He left for Spain in July 1965 and returned to the U. S. in June 1966 having completed his assignment successfully. If an evaluative comment is needed to cover his work during this period of time he should be rated as "strong".

Thomas H. Karamessines
Assistant Deputy Director for Plans

Orig & 1 - Director of Personnel
via C/EUR
1 - ADD/P

14-00000

SECRET

3 October 1966

MEMORANDUM FOR : Chief, TRB

SUBJECT : Verification of Contract Service for [redacted] [illegible]

1. The following is a record of subject's contract service with the Agency:

| Date | Action | Compensation |
|---|---|---|
| 4 July 1965 | Contract Employee | $19,880 per annum |
| 10 October 1965 | Salary Increase | $20,595 per annum |
| 3 July 1966 | Salary Increase | $21,192 per annum |
| 17 September 1966 | Contract Terminated | $21,192 per annum |

2. All of above service is creditable for both leave and Civil Service Retirement purposes.

Dow H. Luetscher
Chief, Contract Personnel Division

Distribution:
Orig & 1 - Addressee
2 - CPD

SECRET

SECRET

26 SEP [illegible]

MEMORANDUM FOR: Chief, Contract Personnel Division

ATTENTION : Paul R. Wilson

SUBJECT : Verification of Contract Service
[redacted] CRHEANAC, Lrince S.

In order to establish the salary, LCD and to compute the SCD for both leave and retirement purposes, it is necessary to verify the contract service and salary of [redacted], DOB 9 October 1918, who claims employment with this Agency in a contract status from 4 July 1965 to 17 September 1966.

Lowell P. Moore
Lowell P. Moore
Deputy Chief, Transactions & Records Branch

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GROUP 1
EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

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This is to advise that effective 17 September 1966 I will resign from employment with the United States Government as provided in the contractual agreement effective 4 July 1965. It is understood that my status as a Staff Employee will be effective 18 September 1966, the day following my resignation as a Contract Employee.

Terence S. CRABANAC

APPROVED:

b/

European Contract Approving Officer

Date

APPROVED:
/s/ Dow H. Luetscher
Special Contracting Officer

REVIEWED:
/s/ Dow H. Luetscher
[illegible] Officer

SECRET

14 July 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Terence S. CRABANAC (P)

The ADDP requested the writer to personally bring CRABANAC's file to him for review this date. I was informed by Mr. Karamessines that Subject has now returned to headquarters for reassignment and will not be returning to Madrid, as his duties have been fulfilled there.

When the DDP decides CRABANAC's next assignment, ADDP will inform us of such and action desired. CRABANAC's travel accounting was given to C/E/B&F for preparation and processing of the voucher for Subject's return travel.

Charles J. Francis
Charles J. Francis
AC/E/SS

CFrancis/cls: 14 Jul 66

SECRET

8 NOV 1965

MEMORANDUM FOR: Deputy Director for Support

SUBJECT: Request for Exception to Provision of FR 45-10b — Terence S. CRABANAC (P)

1. This memorandum contains a recommendation in paragraph 4 for the approval of the Deputy Director for Support.

2. Terence S. CRABANAC (P) is a Contract Employee assigned to the Madrid area in Spain in a sensitive assignment since his conversion from a Staff Employee on 4 July 1965. CRABANAC was a GS-15, step 7 ($19,850.00 per annum) and he is being paid at the same rate in his present contract status. His contract provides that he will be entitled to a living quarters allowance in conformance with regulations of this organization applicable to its appointed personnel.

3. The basic living quarters allowance for Class II officers in Madrid is $2,900 per annum. The house which CRABANAC has located, with a one year lease from 15 November 1965 to 14 November 1966, has an annual rent of $6,600.00 excluding utilities. Therefore, for rent alone, he will be $1,960.00 per year over the 160 percent maximum allowed under the provisions of FR 45-10b. On a 75/25 percent sharing basis of the 60 percent over the quarters allowance, he would be out of pocket $2,395.00.

4. Due to the operational sensitivity of CRABANAC's assignment, his request for relief on his housing costs was handled by Mr. Thomas Karamessines, ADDP. On 15 September 1965, Mr. Karamessines, ADDP, approved his being reimbursed on a 75/25 percent basis for the excess allowable costs up to, but not to exceed, 60 percent above his quarters allowance. This authorization was included in a letter to CRABANAC from Mr. Karamessines. It is requested that the Deputy Director

for Support authorize the 75/25 percent sharing of the excess allowable costs up to 60 percent above his quarters allowance.

/S/

Edward Ryan
Acting Chief
Western Europe Division

Recommendation in paragraph 4
is authorized:

Charles W. Davis
Deputy Director for Support

9 NOV 1965
Date

DDP/WE/SS:DavisB.Powell/aj/6189 (8Nov65)

Distribution:
Orig. - C/WE
2 - SSA-DD/S
1 - C/WE/SS
1 - WE/LO
1 - WE/PT
1 - WE/BF
1 - WE/S

SECRET

Chief, Western Europe Division - 18 October 1965

ATT : Support Staff

Compensation and Tax Division
Office of Finance

Duty Status Reports-Terence S. CRABANAC, Employee Number 179080

Reference : FHB 20-1000-1, paragraph 5.

1. To date there is no record of receipt of Forms 764, Duty Status Reports, for Terence S. CRABANAC since his EOD 4 July 1965. These reports are required in order to maintain his leave account in accordance with the terms of paragraph 6(e) of his contract and to preclude action to withhold pay in accordance with requirements of the referenced handbook.

2. It is requested that this office be advised as to the reason for the delay in the submission of these Duty Status Reports.

LUCILE F. TWOGOOD
Chief,
Contract Employees Accounts Section
Agent Payroll Branch

TO: Compensation and Tax Division
Office of Finance

ATTENTION: Lucile F. Twogood

FROM: Chief of Support, WE Division

Per conversation with Mr. Thomas Karamessines, ADDP, there will be no Duty Status Reports (Form 764) submitted on Terence S. CRABANAC. This should be used as the authority to continue his pay without these reports.

Davis B. Powell
Chief of Support
WE Division

SECRET

GROUP 1
Excluded from automatic downgrading and declassification

14-00000

October 18, 1965

Dear Howard,

Your insurance representative has passed along some information concerning reimbursement to you by means of deposits to your bank account. So that you will understand the reason and the source of deposits which show up on your bank statement, here is the run-down for the present:

| Amount of Deposit | Approx Date of Deposit | Reason for Payment |
|---|---|---|
| $ 5.00 | Sep 9 | Settlement of claim for son Howard (settlement sheet enclosed) |
| $216.06 | Oct 7 | Settlement of following claims:<br>You..........$ 47.68<br>Lisa.......... 112.88<br>Kevan......... 24.50<br>Howard........ 31.00<br>$ 216.06<br>(Four settlement sheets are enclosed.) |
| $505.75 | Oct 7 | Settlement of following claims:<br>Lisa..........$ 112.49<br>Kevan......... 63.75<br>Kevan......... 189.74<br>Lisa.......... 139.77<br>$ 505.75<br>(Four settlement sheets are enclosed.) |
| $ 60.00 | To be made Nov 4 | Refund of advance premium payments made on your life insurance policy which you cancelled. |

I am also forwarding herewith some bills and receipts which your insurance representative has returned with appropriate notations on each. I believe you will want to retain these for possible future use.

Sincerely,

John

SECRET

4 October 1965

MEMORANDUM FOR: Chief, Contract Personnel Division, Office of Personnel

SUBJECT : Terence S. CRABANAC (P), Contract Employee Request for Contract Amendment

1. It is requested that Subject's contract, which was effective 4 July 1965, be amended with respect to living quarters allowances so as to authorize reimbursement for 75% of the excess allowable costs up to, but not in excess of, 60% of the standardized quarters allowance.

2. The proposal for this 75%/25% sharing basis, in lieu of the standard 50%/50% basis, has been reviewed and approved by Mr. Thomas H. Karamessines.

Davis B. Powell
Davis B. Powell
Chief, WE Support Staff

SECRET

SECRET

15 September 1965

MEMORANDUM FOR: Mr. Thomas H. Karamessines

SUBJECT : Madrid Housing

1. The following is a listing of the GS-13 and above staff employees and their quarters costs as of April 1965:

| Grade & No. of Dependents | Allowance | Cost | Cost to Individual |
|---|---|---|---|
| (COS)GS-16 (3) | $2,900 | $4,236 | All cost paid |
| GS-15 (1) | 2,900 | 3,132 | $116 |
| GS-15 (0) | 2,000 | 1,800 | 0 |
| GS-14 (5) | 2,900 | 2,796 | 0 |
| GS-14 (5) | 2,900 | 3,840 | 450 |
| GS-13 (3) | 2,000 | 2,280 | 140 |
| GS-13 (3) | 2,000 | 2,472 | 236 |
| GS-13 (5) | 2,000 | 2,544 | 272 |

2. Mr. Hunt's quarters allowance is $2,900. Using the same formula as applied to the other staff employees at the Station, the following would be the figures:

$2,900 + 60% ($1,740) = $4,640

On a 50/50 percent sharing basis of the 60 percent, he would be out-of-pocket $870 if his costs were $4,640.

On a 75/25 percent sharing basis of the 60 percent, he would be out-of-pocket $435, if his costs were $4,640.

3. I would recommend he be authorized the 75/25 percent sharing basis of the allowable excess costs up to, but not to exceed, 60 percent above his quarters allowance.

Davis B. Powell
Davis B. Powell
Chief
WE Support

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-435
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3 September 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT : General - Terrence S. CRABANAC - Supplement
Specific - Paragraph Entitled "Offset"

REFERENCE : A. OGC Opinion 65-2476a, dated 12 August 1965

B. Our Memo, dated 8 July 1965, Same Subject

1. This office herein recommends an ammendment to CRABANAC's Supplement dated 4 July 1965, to delete paragraph 7. entitled "Offset."

2. This office acknowledges the OGC opinion, Reference A, which determined CRABANAC may retain without Agency salary offset any future royalties earned as a result of his literary efforts based on the fact cover does not include role of a writer.

3. As Subject's cover "activities" have been officially clarified as being only a light one of a retired Foreign Service Officer for which the Agency will be making all entitlement payments and actually he will receive no funds from any cover, this paragraph, which is misleading, has no meaning in Subject's contract and it is hereby recommended that it be deleted from CRABANAC's Supplement.

4. Further, in future cases when a cover is so light that Subject will not be receiving funds from cover it is recommended that no "Offset" paragraph be included in Supplements or Contracts.

WILLIAM R. CAULFIELD
Chief, Covert Claims Branch

Attachment
Ref. A and B

no action taken on this memo.

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OGC 65-2476a

12 AUG 1965

MEMORANDUM FOR: Chief, Contract Personnel Division

SUBJECT: Terence S. CRABANAC - Retention of Royalties by a Contract Employee

1. You have requested the opinion of this Office in regard to the retention of future royalties which might be earned by Terence S. CRABANAC as a result of his literary efforts. We believe that he is entitled to retain such royalties without an offset against his Agency salary.

2. We have been advised by Mr. Gene Stevens, WE/Support, that CRABANAC's cover does not include the role of a writer; CRABANAC's cover for status will only be a light one of a retired Foreign Service Officer. Therefore, paragraph 7 of his contract dated 4 July 1965 may remain as written. Royalties from the fictional works that he writes as a profitable hobby will not be emoluments received from or through his "cover activities."

Norman D. Block
NORMAN D. BLOCK
Office of General Counsel

cc: Chief, Covert Claims Branch
Mr. Gene Stevens, WE/Support

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14-00000

3 AUG 1965

MEMORANDUM FOR : Office of General Counsel

ATTENTION : Norman Block

SUBJECT : Terence S. Crabanac -- Retention of Royalties by a Contract Employee

1. Reference is made to the telephone conversation of 26 July 1965 between yourself and Rogers C. Brooks of this Office wherein background information relating to the assignment of Terence S. Crabanac was discussed.

2. Subject will apparently develop a cover as a writer, a field wherein he has an already demonstrated talent based upon several publications. The objective of the cover is to provide a basis of attribution for some of his income. At the time of the preparation of Mr. Crabanac's contract, the specific detail of his cover was unknown.

3. Request your opinion in regard to the retention of possible royalties earned by Crabanac as a result of his literary efforts or whether such income should be properly offset.

Joseph B. Ragan
Chief, Contract Personnel Division

Attachments.

OP/CPD: RCBrooks/cw: 2 August 1965

Distribution:
Orig & 1 -- Addressee
2 -- CPD

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

| UNCLASSIFIED | CONFIDENTIAL | SECRET |
|---|---|---|

CENTRAL INTELLIGENCE AGENCY

**OFFICIAL ROUTING SLIP**

| TO | NAME AND ADDRESS | DATE | INITIALS |
|---|---|---|---|
| 1 | C/WE/Support | 15 July | C |
| 2 | | | |
| 3 | WE/OT - Stevens | | |
| 4 | Re Seeing Mr. Coleman | | |
| 5 | concerning P.O. Box | | |
| 6 | | ... CIRES 9318 | |

| | | | | | |
|---|---|---|---|---|---|
| ACTION | | DIRECT REPLY | | PREPARE REPLY | |
| APPROVAL | | DISPATCH | | RECOMMENDATION | |
| COMMENT | | FILE | | RETURN | |
| CONCURRENCE | | INFORMATION | | SIGNATURE | |

**Remarks:**

Assume you wish to add this to your file. As previously stated, there is no reason for him to have a transportation allowance. If you are in touch with Coleman, pls have him see me. I want him to get a post office box — over

FOLD HERE TO RETURN TO SENDER

| FROM: NAME, ADDRESS AND PHONE NO. | DATE |
|---|---|
| C/WE/3 | 14 July |

| UNCLASSIFIED | CONFIDENTIAL | SECRET |
|---|---|---|

(40)

FORM NO. 237 Use previous editions
2-61

from Security to which he can send his financial accounts. This will reduce contact with station.

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SECRET

8 July 1965

FINANCIAL BRIEFING REPORT

DATE : 7 July 1965 STATUS: Contract Employee

SUBJECT : Terence CRABANAC COVER : Non-Official - Writer

DESTINATION: Madrid Spain

DEPENDENTS : Wife and four children 14 12 11 and 21 mos.

Subject was advised that this briefing was being held to review with him the official financial business and personal aspects created as a result of his assignment. He was told that a report of the briefing would be prepared and that a copy would be forwarded to the KUBARK office responsible for his administration.

Subject is proceeding abroad as a retired OD GID officer who is now pursuing a career as a writer.

Subject had read his Contract. The persons present at the briefing were Subject and wife Division Budget and Fiscal Officer, payroll representative, and the undersigned Certifying Officer.

The payroll representative briefed Subject regarding his compensation, Headquarters payrolled allowances, tax withholding and deductions. proposed Foreign Duty Data Sheet was used and an official copy will be sent to the office administering Subject upon receipt of a notification Subject has arrived in place. The Tax Committee representative had briefed Subject as to the procedure by which he will fulfill his Federal tax reporting requirements - see below Section III entitled "Taxes." All questions raised by Subject during the briefing were answered to his apparent satisfaction. There were two points which were to reviewed further by WE, they were:

a. Review of Supplement relative to quarters allowance being payrolled and non-accountable.
b. Determination of authorization and amount of a Transportation Allowance.

Plans call for Subject to establish through Monetary Division an operational bank account. This fund will serve his operational needs while in Madrid as he is to have no (or limited) contact with the Station. Highpoints of the briefing are discussed below:

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GROUP 1 Excluded from automatic downgrading and declassification

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I. Funding and Accounting

A. Headquarters
(1) Will payroll Subject's compensation (and allowances) authorized deductions. (Specify allowances as applicable)
(2) Will advance PCS travel funds and audit accounting which is to be submitted by Subject when accounting complete.
(3) Will advance funds and receive accountings for operational fund. His first accounting will be upon moving into permanent quarters, and initially quarterly thereafter, unless activity warrants more frequent accounting period.

B. Station
Will provide only emergency support as needed.

C. Cover
(1) Subject has no ligitimate cover from which through agreement with KUBARK he would receive payments.
(2) Paragraph 7 entitled OFFSET is in question with contracting office as to what is intended as Subject's only income from cover activities appear to be income from his writings. Subject is under impression income from writings not to be refundable.

No problem. Subj will have no cover income from writing. In event he should at some future time receive cover income from other source, it would be offset.

II. Terms of Contract and Additional Items

(11) Allowances -
Subject was informed that allowances were subject to fluctuation as a result of Standardized or KUBARK regulations changes.

(11a.) Subject was advised to notify Headquarters of changes in his family status as such changes would effect allowances being payrolled where rates are determined by Subject's family status.

(12) Receipts
Subject was advised that a receipt is required where practicable or a certification in lieu of receipt should be submitted for all reimburseable expenses in the amount of $15.00 or more.

(20) Travel
Subject was briefed in general regarding reimburseable incidental expenses and travel entitlements in regard to his proposed itinerary. Among the points covered were the following:

A. Per Diem rates applicable to Subject's proposed itinerary

B. Excess baggage provisions when economy/tourist flights are used

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C. Use of less than first class air travel accomodations

D. Use of American airlines

(30) Effects Shipment
Subject was briefed in general regarding his KUBARK authorizations as follows:

A. The combined shipping and storage of household effects is limited to 13,500 pounds net for Subject.
B. Full shipment is authorized.
C. Subject was advised the total of the amount of the effects stored and shipped shall not exceed the limitations for shipment and storage set forth as 13,500 pounds net.

(31) Unaccompanied Baggage
300 pounds net per traveller which may be used as follows:
When entire journey is by surface transportation the 300 pound authorization is to be shipped by surface transportation, or can be included with household effects shipments.

(33) FOREIGN CUSTOM DUTIES
As Subject is under non-official cover he may be required to pay foreign import duty so this regulatory authorization was discussed.

(43) Transportation Allowance
Subject will be taking his personal car and reported he will be authorized a Transportation Allowance not yet determined by Division. The Allowance is to be paid monthly by Headquarters.

(51) Temporary Lodging Allowance
Subject was advised he would be entitled to this allowance and he was briefed as to its provisions as outlined in the Standardized Regulations.

(53) Permanent Personal Quarters
Subject was advised that his quarters would be administered in accordance with FR 45-10b, and then the provisions of this Regulation were explained to him. However, Division B&F Officer intends to review this point for possible contract amendment in providing a quarters allowance at maximum Standardized rate and to be non-accountable.

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(60) Leave

(61a) Subject was informed of his leave balances as of 3 July 1965: A/L 374 hours and S/L 633 hours.

(63) Leave Benefits
Subject was informed of accruals, use, and carry-over for annual (360 hours) and sick leave while overseas. Also, he was informed Headquarters forwards leave balances to the field annually.

(71) Insurance
Subject was informed that costs incurred for insurance protection of baggage, effects, car and their shipment are considered personal and are not reimburseable by KUBARK.

(74) Education and Educational Travel Allowances
These regulatory provisions were discussed as the ages of Subject's children indicate his elligibility. All official employees are required to send children to U. S. Military school, Subject's allowances will be equal to that authorized for other WE non-official personnel in area.

(81) Operational Expenses
Subject was briefed in general terms regarding advances, control, safekeeping, accounting, receipts, and other supporting authoritative documentation.

(82) Operational Entertainment
A thorough briefing was given Subject regarding this topic in accordance with current regulations.

(84) Other Operational Considerations
An operational bank account is being opened through the Monetary Division to house an operational advance - amount yet undetermined. Subject was advised not to co-mingle personal funds with operational funds. Subject will submit his first accounting upon occupying permanent quarters and initially quarterly thereafter. From this account TLA and Educational allowance payments will be made and reported.

III. Taxes
Subject was advised he should file overtly only. Subject's W-2 is to be forwarded by pouch and his tax return is to be returned by pouch for mailing in U. S.

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IV. Banking Arrangements
A. Subject has provided Headquarters with his bank account for use as his stateside allottee.

B. An operational bank account is to be established.

WILLIAM R. CAULFIELD
Chief, Covert Claims Branch

Distribution:
Orig. and 1 - CCB
1 - C&L
1 - Registry
1 - Payroll
1 - WE/Division

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SECRET

8 July 1965

MEMORANDUM FOR: Contract Personnel Division, O/P

SUBJECT : general - Terence S. CRABANAC - Supplement
specific - Paragraph Entitled "OFFSET"

1. This office has a question as to the intent of including paragraph (7.) entitled "OFFSET" as appears in the Contract for Terence S. CRABANAC. The paragraph in question reads as follows:

> 7. OFFSET
> Emoluments (including benefits in kind) received from or through your cover activities are the property of the U.S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tax purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.

2. Subject reportedly is proceeding abroad under the cover of a retired Foreign Service Officer and in pursuit of his ambitions as a writer. Subject will receive all his contractual benefits through the Agency, there is no cover company, so therefore the only apparent emoluments to be received from or through his cover activities would be earnings received from articles, stories, or books written by him. Please inform this office if its interpretation is correct. If not, we would appreciate your interpretation and reasoning relative to the statement "Emoluments received from or through your cover activities are the property of the U.S. Government."

WILLIAM R. CAULFIELD
Chief, Covert Claims Branch

SECRET

Mr. Terence S. Crabanac

Dear Mr. Crabanac: :

The United States Government, as represented by the Contracting Officer, hereby contracts with you as a Contract Employee for the use of your services and the performance of duties of a confidential nature under the following terms and conditions:

1. Compensation. In full consideration for the use of your services and the performance of specified confidential duties you will be compensated in an amount calculated at the rate of $19,880 per annum. In addition, you are herein authorized legislative salary adjustments, within-grade promotions and, if applicable, a post differential in substantial conformance with rules and regulations applicable to Government appointed employees. Payments will be made as requested by you in writing in an approved manner. Taxes will be withheld therefrom and submitted by this organization.

2. Allowances. You will be entitled to: (a) Living quarters allowances in conformance with regulations of this organization applicable to its appointed personnel. In the event you are furnished quarters by the Government you will not be entitled to the living quarters allowances herein indicated.

(b) Cost-of-living allowances in conformance with applicable regulations of this organization including, but not limited to, a post allowance, a transfer allowance and a home service transfer allowance.

3. Travel. You will be advanced or reimbursed funds for travel and transportation expenses for you, your dependents, your household effects and your personal automobile to and from your permanent post of assignment, and for you alone for authorized operational travel. In addition, you will be entitled to storage of such household and personal effects as are not shipped, in conformance with applicable Government regulations. You may be entitled to per diem in lieu of subsistence in the course of all travel performed hereunder and, when authorized, for you alone while on temporary duty away from your permanent post of assignment. All travel, transportation and per diem provided for under this paragraph must be properly authorized, and expenses incurred hereunder are subject to payment and accounting in compliance with applicable Government regulations.

4. Operational Expenses. You will be advanced or reimbursed funds for necessary operational expenses including, but not limited to, entertainment and the purchase of information, as specifically approved by the Government. Such funds will be subject to payment and accounting in compliance with applicable Government regulations.

5. Repayment. It is recognized that your failure to account for or refund any monies advanced you hereunder shall entitle the Government to withhold the total amount of such indebtedness or any portion thereof from any monies due you under the terms of this contract in such manner as it deems appropriate.

14-00000

6. Benefits. (a) You will be entitled to death and disability benefits equal to those authorized under the Federal Employees' Compensation Act, as amended. Claims by you, your heirs, or legal representatives under this paragraph will be processed by this organization in accordance with its procedures in such manner as not to impair security.

(b) You will be entitled to the continuance of pay and allowances in a manner similar to that set forth in the Missing Persons Act (50 U.S.C.A., App. 1001-1015).

(c) You will be entitled to sick, annual and home leave (including travel expenses incident thereto) equal to and subject to the same rules and regulations applicable to Government appointed employees. Annual leave may only be taken at times and places approved in advance by appropriate Government representatives. All accrued but unused leave credited to your former account as an appointed employee of this organization will be transferred to the leave account established for you hereunder.

(d) As a Government employee under contract converted from staff status without a break in service, it is required that you continue to make contributions to the Civil Service Retirement Fund. Such contributions (presently six and one/half per cent (6-1/2%)) will be deducted by the Government from the basic compensation due you hereunder, i.e., presently $19,880 per annum.

(e) You are herein authorized to apply for enrollment in a health insurance program for certain selected Contract Employees of this organization, subject to all the terms and conditions of that program. If accepted, this organization is presently authorized to bear a portion of the premium cost, you will bear the remainder. Your financial contribution will be effected either by payroll deduction or by direct remittance at periodic intervals to be established by this organization.

(f) (1) This organization is authorized to pay the cost of necessary hospitalization and related travel expenses for illness or injury incurred by a United States citizen full-time Contract Employee in the line of duty while abroad.

(2) This organization may pay certain necessary costs of hospitalization and related travel expenses for illness or injury incurred by the dependents of a United States citizen full-time Contract Employee permanently assigned abroad, while they are located abroad.

It is understood and agreed that the eligibility and extent of the participation by you and your dependents in the above medical programs will be in conformance with the rules, regulations and policies of this organization in effect at the time an illness or injury is incurred, that all claims will be submitted only to this organization and that adjudication of such claims by this organization shall be final and conclusive.

7. Offset. Emoluments (including benefits in kind) received from or through your cover activities are the property of the U. S. Government. Procedurally, such emoluments will be offset against amounts due you under this agreement and are acknowledged to be payment by the Government hereunder and for Federal income tax purposes. If cover emoluments exceed those due you under this contract, you will dispose of the excess amount in conformance with Governmental instructions.

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8. Execution of Documents. If, in the performance of services under this contract, you assume the custody of Government funds or take title of record to property of any nature whatsoever and wherever situate, which property has in fact been purchased with monies of the U. S. Government, you hereby recognize and acknowledge the existence of a trust relationship, either express or constructive, and you agree to execute whatever documents may be required by the Government to evidence this relationship.

9. Secrecy. You will be required to keep forever secret this contract and all information which you may obtain by reason hereof (unless released in writing by the Government from such obligation), with full knowledge that violation of such secrecy may subject you to criminal prosecution under the Espionage Laws, dated 25 June 1948, as amended, and other applicable laws and regulations.

10. Instructions. Instructions received by you from the Government in briefing, training or otherwise are a part of this contract and are incorporated herein, provided that such instructions are not inconsistent with the terms hereof.

11. Unauthorized Commitments. No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendment thereto shall be binding on the Government.

12. Term. This contract is effective as of 4 July 1965, and shall continue thereafter for a period of two (2) years unless sooner terminated:

(a) Upon sixty (60) days' actual notice by either party hereto, or

(b) Upon actual notice to you in the event the results of an initially required medical examination are determined by this organization to be unsatisfactory, or

(c) Without prior notice by the Government, in the event of a breach of this contract by your violation of the security provisions hereof or by your otherwise rendering yourself unavailable for acceptable service.

Subject to the availability of appropriations, this agreement may be extended upon notice from the Government. In the event of voluntary termination on your part or termination for cause by the Government prior to the expiration of this agreement or any renewal thereof, you will not be entitled to return travel expenses to the United States. Termination of this agreement will not release you from the obligations of any security oath you may be required to take.

UNITED STATES GOVERNMENT

BY DHL
Contracting Officer

ACCEPTED:

/S/

WITNESS: /S/

APPROVED: /S/

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SECRET

**CONTRACT INFORMATION AND CHECK LIST (CONTINUED)**

NOTE: SEE INSTRUCTIONS ON FIRST SHEET.

CASE OFFICER: Gene Stevens
DIVISION: SE/PI
TELEPHONE EXTENSION: 7157
DATE: 24 June 1965

SECTION VIII — OTHER BENEFITS

46. BENEFITS (See HR 20-44; HR 20-41, HR 20-7, HR 20-53, and HR 20-620-1, HR 20-1000-1 and or successor regulations for benefits applicable to various categories of contract personnel.)

All Benefits Normally Applicable To Staff Personnel Except FEGLI.

SECTION IX — COVER ACTIVITY

47. STATUS (Check): [X] PROPOSED [ ] ESTABLISHED

48. TYPE (Check): [ ] PROPRIETARY [ ] SUBSIDIZED [ ] CULTURAL [ ] EDUCATIONAL [ ] COMMERCIAL [ ] MILITARY [ ] TOURIST [X] OTHER

49. IF COVER PAYMENTS ARE CONTEMPLATED, THEY WILL BE EFFECTED ON REIMBURSABLE BASIS

[ ] YES [ ] NO [ ] COMPLETE [ ] PARTIAL

SECTION X — OFFSET OF INCOME

50. OFFSET OF INCOME AND OTHER EMOLUMENTS DERIVED FROM COVER ACTIVITIES (If less than total, justify in separate memo attached hereto.)

[X] TOTAL [ ] PARTIAL [ ] NONE

SECTION XI — TERM

51. DURATION: DAYS ___ MONTHS 2 YEARS ___

52. EFFECTIVE DATE: 4 July 1965

53. RENEWABLE: [X] YES [ ] NO

54. TERMINATION NOTICE (Number of days): 60 days

55. FORFEITURE OF RETURN TRAVEL FOR RESIGNATION PRIOR TO CONTRACT TERMINATION: [X] YES [ ] NO

SECTION XII — FUNCTION

56. PRIMARY FUNCTION (CI, PI, PP, other)

SECTION XIII — DUTIES

57. GENERAL DESCRIPTION OF DUTIES TO BE PERFORMED

Intel Officer

SECTION XIV — QUALIFICATIONS

58. EXPERIENCE

59. EDUCATION (Check Highest Level Attained)

| | | | | | |
|---|---|---|---|---|---|
| [ ] GRADE SCHOOL | [ ] HIGH SCHOOL GRADUATE | [ ] TRADE SCHOOL GRADUATE | | | |
| [ ] BUSINESS SCHOOL GRADUATE | [ ] COMMERCIAL SCHOOL GRADUATE | | | | |
| [ ] COLLEGE (No degree) | [ ] COLLEGE DEGREE | [ ] POST GRADUATE | [ ] BA | [ ] MA | [ ] PHD |

60. LANGUAGE COMPETENCY (Check Appropriate Degree Competency)

| LANGUAGE | SPEAK: FLUENT | SPEAK: AVERAGE | SPEAK: POOR | WRITE: FLUENT | WRITE: AVERAGE | WRITE: POOR | READ: FLUENT | READ: AVERAGE | READ: POOR |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

61. INDIVIDUAL'S COUNTRY OF ORIGIN

62. AREA KNOWLEDGE

SECTION XV — EMPLOYMENT PRIOR TO CIA

63. GIVE INCLUSIVE DATES, POSITION TITLE OR TYPE WORK, SALARY AND REASON FOR LEAVING

SECTION XVI — ADDITIONAL INFORMATION

64. ADDITIONAL OR UNUSUAL REQUIREMENTS, JUSTIFICATIONS OR EXPLANATIONS (Use other side if necessary)

[ ] OVER

APPROVAL

| DATE | TYPED NAME & SIGNATURE OF REQUESTING OPERATING OFFICIAL | DATE | TYPED NAME & SIGNATURE OF CONTRACT APPROVING OFFICER |
|---|---|---|---|
| 24 June 65 | [signature] | [illegible] | [signature] |

SECRET

# CONTRACT INFORMATION AND CHECK LIST

INSTRUCTIONS: Use HR 20-33 and HR 20-1000-1 for guidance. Complete all items, inserting "NA" when items are not applicable. Forward original and two copies for preparation of contract.

CASE OFFICER: Gene Stevens
DIVISION: WE/IT
TELEPHONE EXTENSION: 7157
DATE: 2 June 1965

## SECTION I — GENERAL

1. NAME [X] PSEUDO [ ] TRUE: Terence S. CRABANAC
2A. PROJECT:
2B. PERMANENT STATION: Madrid, Spain
3. ALLOTMENT NO.: 6136-1347
3A. FUNDS: [ ] V [X] VV
4. SLOT NO.:
5. PREVIOUS CIA PSEUDONYM OR ALIASES: #23-501
6. INDIVIDUAL HAS BEEN ENGAGED BY CIA OR ITS ALLIED ACTIVITIES IN SOME CAPACITY PRIOR TO THIS CONTRACT. [X] YES [ ] NO (If yes, describe and include dates and salary.) Staff Employee November 1949 - July 1965. Terminal Salary GS-15 step 7, $1[illegible],[illegible]0 per annum
7. SECURITY CLEARANCE (Type and date): Type A Granted 23 June 65
7A. MEDICAL CLEARANCE: [ ] OBTAINED [X] INITIATED [ ] NOT REQ'D.
8. CONTRACT IS TO BE WRITTEN IN STERILE FORM I.E., "U.S. GOVERNMENT" [X] YES [ ] NO
9. INDIVIDUAL WILL WORK UNDER "CONTROLLED CONDITIONS" I.E., REGULAR OFFICE HOURS AWAY FROM SUBJECT'S HOME AND PERFORMED UNDER THE SUPERVISION OF A STAFF EMPLOYEE OR STAFF AGENT [ ] YES [X] NO
10. PROPOSED CATEGORY (Contract agent, contract employee, etc.): Contract Employee

## SECTION II — PERSONAL DATA

11. CITIZENSHIP: U.S.
12. IF NOT U.S. CITIZEN, INDIVIDUAL IS A PERMANENT RESIDENT ALIEN [ ] YES [ ] NO
13. AGE: 46
14. DATE OF BIRTH (Month, day, year): Oct. 9, 1918
15. LEGAL RESIDENCE (City and state or country): Largo, Florida
16. CURRENT RESIDENCE (City and state or country): Bethesda, Maryland
17. MARITAL STATUS (Check as appropriate): [ ] SINGLE [X] MARRIED [ ] WIDOWED [ ] ANNULLED [ ] SEPARATED [ ] DIVORCED
18. NUMBER OF DEPENDENTS (Not including individual) RELATIONSHIP AND AGE:

Wife - 45
Dau - 14
Dau - 12
Son - 11
Son - 21 Mos.

19. INDIVIDUAL IS RELATED TO A STAFF EMPLOYEE, STAFF AGENT OR AN INDIVIDUAL CURRENTLY WORKING FOR THE AGENCY IN SOME CAPACITY [ ] YES [X] NO RELATIONSHIP:

## SECTION III — U.S. MILITARY STATUS

20. RESERVE: No
21. VETERAN: Yes
22. IF RETIRED, INDICATE CATEGORY (Longevity, combat disability, service disability non-combat):
23. BRANCH OF SERVICE: -----
24. RANK OR GRADE: --------
25. DRAFT ELIGIBLE [ ] YES [X] NO
26. DRAFT DEFERMENT OBTAINED BY CIA [ ] YES [ ] NO

## SECTION IV — COMPENSATION

27. BASIC SALARY: $19,880 per annum
28. POST DIFFERENTIAL: none
29. COVER (Breakdown, if any): none
30. FEDERAL TAX WITHHOLDING: COVER [ ] YES [ ] NO; CIA [X] YES [ ] NO

## SECTION V — ALLOWANCES (NORMALLY GRANTED ONLY TO RESIDENTS OF THE UNITED STATES)

31. QUARTERS: yes
32. POST: yes
33. OTHER: Cost-of-living, Education, TLA
34. COVER (Breakdown, if any): none

## SECTION VI — TRAVEL

35. TYPES: [X] PCS [ ] DOMESTIC OPERATIONAL [ ] FOREIGN OPERATIONAL
36. WITH DEPENDENTS: [X] YES [ ] NO
37. HHE TO BE SHIPPED: [X] YES [ ] NO
37A. HHE TO BE STORED: [ ] YES [ ] NO
38. PERSONAL VEHICLE TO BE SHIPPED: [X] YES [ ] NO
39. TRANSPORTED VEHICLE TO BE USED FOR OPERATIONAL TRAVEL: [X] YES [ ] NO
40. IF WITH DEPENDENTS STATE RELATIONSHIP, CITIZENSHIP, AGE AND DATE OF BIRTH

Wife - U. S. - 45 - April 1, 1920
Dau - U. S. - 14 - March 9, 1951
Dau - U. S. - 12 - November 27, 1952
Son - U.S. - 11 - March 22, 1954
Son - U.S. - 21 mos. - September 1, 1963

41. PAYMENT AND ACCOUNTABILITY WILL BE IN CONFORMANCE WITH [X] CIA REGULATIONS [ ] COVER POLICIES AND PROCEDURES

## SECTION VII — OPERATIONAL EXPENSES

42. PURCHASE OF INFORMATION: yes, when authorized
43. ENTERTAINMENT: yes, when authorized
44. OTHER:

14-00000

6 January 1965

SECRET

MEMORANDUM TO: Benefits & Services Division

SUBJECT : Cause of Illness - E. Howard Hunt

1. Having been requested to give an opinion regarding the origins of the duodenal ulcer for which I was hospitalized October 12-15, 1964, I believe it to have resulted from three years of work frustration and professional dissatisfactions occasioned by (a) Agency failure to assign me to an appropriate post abroad following my participation in Project JMATE, and (b) the passive, non-challenging nature of the domestic work I was given.

2. I should point out that before joining Project JMATE in May, 1960, I requested in writing, and was granted by responsible senior officials, commitment to return me to an appropriate assignment abroad upon the termination of JMATE. Despite continuing verbal assurances in the ensuing three years I was not sent abroad. Instead, I was retained in domestic duties which I felt were inconsistent with the heavier responsibilities discharged by me during a long and active operational career abroad.

3. The T/O position I have been occupying - Chief of Covert Action for DO Division - is the equivalent of my 1953-54 assignment as Chief of Covert Action for SE Division. Organizationally I am where I was 11-12 years ago, but with a smaller staff and many fewer responsibilities.

4. To me this represented a professional dead-end, without hope of promotion or foreign assignment, a situation which preoccupied my mind and in due course found physical reflection in duodenal hemorrhage.

5. For the record, the foregoing information is not volunteered, but provided in response to an official request.

HOWARD HUNT

SECRET

14-00000

7 December 1964

MEMORANDUM FOR: Mr. E. Howard Hunt

SUBJECT : B&C Claim

1. Returned herewith is CA-1 (in duplicate) and CA-2 (in duplicate) which you completed in connection with your recent illness.

2. The Benefits and Services Division has requested the following information:

a. Statement of medical history - Form 89 attached for this purpose.

b. Full statement from physician, or physicians, including nature of illness, treatment, prognosis and statement as to what he thinks may be the cause.

c. Statement from you, describing in full, what you think the contributing cause may be.

Virginia C. Lynch
DO/Personnel

Attachments - A/S

SECRET

| NOTIFICATION OF ESTABLISHMENT OF MILITARY COVER BACKSTOP | | | DATE |
|---|---|---|---|
| TO: (Check) | | CHIEF, PERSONNEL OPERATIONS DIVISION | ESTABLISHED FOR |
| | ✓ | CHIEF, OPERATING COMPONENT (For action) | |
| ATTN: | | | FILE NO. |
| REF: | | | ID CARD NO. |
| MILITARY COVER BACKSTOP ESTABLISHED | | | EMPLOYEE NO. |

**KEEP ON TOP OF FILE WHILE COVER IN EFFECT**

☐ Block Records:
*(OPMEMO 20-800-11)*

a. Temporarily for ______ days, effective ____________________.

b. Continuing, effective ____________________.

☐ Submit Form 642 to change limitation category.
*(HHB 20-7)*

☐ Ascertain that Army W-2 being issued.
*(HB 20-661-1)*

☐ Submit Form 1322 for any change affecting this cover.
*(R 240-250)*

☐ Submit Form 1323 for transferring cover responsibility.
*(R 240-250)*

☐ Remarks:

☐ Cover History

James H. Franklin

CHIEF, MILITARY COVER [illegible]

DISTRIBUTION: Copy 1-POD. Copy 2-Operating Component. Copy 3-OS D/OS. Copy 4-OL TELSVC. Copy 5-PSD OS. Copy 6-File.

FORM 6-64 1551 [illegible]

SECRET

(13-20-43)

MEMORANDUM FOR ATTACHMENT TO GA-2 Filed by E. Howard Hunt

My first knowledge of Mr. Hunt's illness was on the morning of 12 October when his office informed me that he became ill and was taken to the hospital with a "bleeding ulcer". He has been on sick leave since that date.

Thos. P. Schreyer
Executive Officer

C. W. WILSON [illegible], M.D.
DIRECTOR

[illegible]
DEPARTMENT OF RADIOLOGY
DRS. CROOVER, [illegible] AND [illegible]

PATIENT [illegible]
PHYSICIAN [illegible]
EXAMINATION [illegible]

AGE [illegible] DATE [illegible]

Upper [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible], M.D.

[illegible]/sv

CHART COPY